GOVERNMENT OF INDIA
COAL
LOK SABHA

UNSTARRED QUESTION NO:3100
ANSWERED ON:23.08.2006
SUPPLY OF NON COKING COAL TO THERMAL POWER STATIONS STEEL PLANTS
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Will the Minister of COAL be pleased to state:

(a) whether high grade non-coking coal is supplied to the Thermal Power stations and Steel plants;

(b) if so, whether the generation of electricity and manufacturing of steel have been affected as a result of shortage of coal;

(c) if so, the details thereof and the reasons therefor; and

(d) the steps taken by the Government in this regard?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF COAL (DR. DASARI NARAYAN RAO):

(a) Old Power Stations and the plants falling under environmental regulations are presently supplied high grade non-coking coal. However, steel plants in the country generally do not use non-coking coal for steel making except sponge iron plants which prefer good quality non-coking coal. Indian coal, by virtue of drift origin, is having high ash content and reserve of low ash content coking coal and non-coking coal is very limited in the country.

(b) and (c) No, Sir. The generation of power has generally not been affected due to coal shortage. As far as manufacturing of steel is concerned, the steel plants generally use coking coal. Due to limited availability of indigenous coking coal of requisite quality, steel plants are dependent on imported coal. Indigenous coking coal only supplements the total coal requirement of steel plants for steel making.

(d) Over the years, appropriate technology has been developed in the country to gainfully utilize high ash non-coking coal for power generation. In order to minimize the adverse environmental effect and reduce hauling of ash, Pithead power stations are being encouraged by the Government. However, distant power stations, situated more than 1000 Kms away from coalmines are being provided with coal of below 34% ash. Similarly, Power Stations situated within Urban areas or in critically polluted areas are also being supplied coal of below 34% ash content. Government has also been encouraging private sector participation to build coal washeries so as to facilitate beneficiation of high ash non-coking coal of the country.
Further, in order to facilitate steel plants procuring superior grades of metallurgical coal, Government has brought down import duty from a level of 35% in early nineties to NIL for coking coal containing ash upto 12% and 5% for coking coal containing ash above 12%. Government has also opened up import of coal under Open General License.